GOVERNMENT OF INDIA
ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:4525
ANSWERED ON:14.12.2016
BPO Operations
Charitra Shri Ram;Shewale Shri Rahul Ramesh

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

Will the Minister of Electronics& Information Technology be pleased to state: -
(a) whether the Government is considering to change a few clauses in the India BPO Promotion Scheme (IBPS) which was launched to incentivise BPO or IT-enabled services operations across smaller cities;
(b) if so, the details and the present status thereof;
(c) whether the Government has received suggestions from the industry to make it more lucrative for companies to expand to smaller towns and give more time for commencement of operation;
(d) if so, the details thereof and the steps taken by the Government in this regard;
(e) whether the Union Government has designed the scheme to promote IT based services in rural areas;
(f) if so, the details thereof and whether the companies are reluctant to go to small towns and rural areas; and
(g) if so, the steps taken by the Government in this regard to provide financial support in the form of viability gap funding

Answer

(a) to (d): India BPO Promotion Scheme (IBPS) was formulated after inviting Expression of Interest (EoI), consultation with Industry including NASSCOM, BPM Council, and State IT Departments. The selection of eligible companies to setup BPO/ITES operations under IBPS is done through open online bidding conducted in continuous manner. For each round of bidding, suggestions from industry are invited at the stage of pre-bid meeting and appropriate suggestions are incorporated in the RFP.

(e) to (g) The Government has launched India BPO Promotion Scheme (IBPS) under the Digital India Programme, for promotion of BPO/ITES operations across the country including rural areas and creation of employment opportunities, with an outlay of ` 493 crore. The scheme provides capital support along with special incentives upto ` 1 lakh/seat in the form of Viability Gap Funding (VGF). About 48,300 seats have been planned with distribution across State(s)/UT(s) based on population percentage as per Census 2011, excluding metro cities along with their urban agglomeration viz. Bangalore, Chennai, Hyderabad, Kolkata, Mumbai, NCR, Pune and States of North East Region (NER).

After three rounds of bidding of IBPS, 81 companies have applied under IBPS for 63 locations mostly small cities/towns across India for 16250 BPO/ITES seats.
****